

PERAC AUDIT REPORT



Gardner Contributory Retirement System

JAN. 1, 2003 - DEC. 31, 2005 / PERAC 05-039



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PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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February 9, 2007

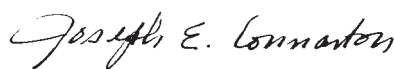
The Public Employee Retirement Administration Commission has completed an examination of the Gardner Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2003 to December 31, 2005. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records are being maintained and management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission. There were no significant findings to report.

We commend the Gardner Retirement Board for the exemplary operation of the system.

In closing, I acknowledge the work of examiner Richard Ackerson who conducted this examination and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,



Joseph E. Connarton
Executive Director



Gardner Retirement System

STATEMENT OF LEDGER ASSETS AND LIABILITIES

**FOR THE THREE-YEAR PERIOD BEGINNING JANUARY 1, 2003
AND ENDING DECEMBER 31, 2005**

FOR THE PERIOD ENDING DECEMBER 31,				
ASSETS	2005	2004	2003	
Cash	\$5,154	\$0		\$0
Short Term Investments	0	0		0
Fixed Income Securities	0	0		0
Equities	0	0		0
Pooled Short Term Funds	0	0		0
Pooled Domestic Equity Funds	0	0		0
Pooled International Equity Funds	0	0		0
Pooled Global Equity Funds	0	0		0
Pooled Domestic Fixed Income Funds	0	0		0
Pooled International Fixed Income Funds	0	0		0
Pooled Global Fixed Income Funds	0	0		0
Pooled Alternative Investment Funds	0	0		0
Pooled Real Estate Funds	0	0		0
Pooled Domestic Balanced Funds	0	0		0
Pooled International Balanced Funds	0	0		0
PRIT Cash Fund	48,815	25,319		1,904,917
PRIT Core Fund	33,512,086	30,732,326		27,988,395
Interest Due and Accrued	0	0		0
Accounts Receivable	2,394,202	2,271,676		229,645
Accounts Payable	(161,279)	(162,986)		(130,026)
TOTAL	<u>\$35,798,978</u>	<u>\$32,866,335</u>		<u>\$29,992,931</u>
FUND BALANCES				
Annuity Savings Fund	\$8,249,472	\$7,908,965		\$8,020,322
Annuity Reserve Fund	3,733,470	3,681,240		3,390,921
Pension Fund	866,993	1,100,334		1,182,530
Military Service Fund	6,260	4,818		2,756
Expense Fund	0	0		0
Pension Reserve Fund	<u>22,942,783</u>	<u>20,170,978</u>		<u>17,396,402</u>
TOTAL	<u>\$35,798,978</u>	<u>\$32,866,335</u>		<u>\$29,992,931</u>

Gardner Retirement System

STATEMENT OF CHANGES IN FUND BALANCES

**FOR THE THREE-YEAR PERIOD BEGINNING JANUARY 1, 2003
AND ENDING DECEMBER 31, 2005**

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2003)	\$7,936,527	\$3,053,868	\$1,096,638	\$2,729	\$0	\$12,633,130	\$24,722,892
Receipts	928,031	97,309	2,222,205	27	188,191	5,721,263	9,157,027
Interfund Transfers	(640,612)	636,625	961,979	0	0	(957,992)	0
Disbursements	(203,624)	(396,881)	(3,098,292)	0	(188,191)	0	(3,886,988)
Ending Balance (2003)	8,020,322	3,390,921	1,182,530	2,756	0	17,396,402	29,992,931
Receipts	839,098	106,771	2,310,050	4,506	220,907	3,702,452	7,183,783
Interfund Transfers	(586,080)	586,080	930,320	(2,445)	0	(927,875)	0
Disbursements	(364,376)	(402,531)	(3,322,566)	0	(220,907)	0	(4,310,380)
Ending Balance (2004)	7,908,965	3,681,240	1,100,334	4,818	0	20,170,978	32,866,335
Receipts	983,973	112,834	2,424,720	1,443	263,123	3,599,499	7,385,592
Interfund Transfers	(379,656)	379,656	827,694	0	0	(827,694)	0
Disbursements	(263,809)	(440,261)	(3,485,755)	0	(263,123)	0	(4,452,948)
Ending Balance (2005)	<u>\$8,249,472</u>	<u>\$3,733,470</u>	<u>\$866,993</u>	<u>\$6,260</u>	<u>\$0</u>	<u>\$22,942,783</u>	<u>\$35,798,978</u>

Gardner Retirement System

STATEMENT OF INCOME

**FOR THE THREE-YEAR PERIOD BEGINNING JANUARY 1, 2003
AND ENDING DECEMBER 31, 2005**

	FOR THE PERIOD ENDING DECEMBER 31,		
	2005	2004	2003
Annuity Savings Fund:			
Members Deductions	\$788,243	\$770,720	\$837,421
Transfers from other Systems	129,585	1,883	372
Member Make Up Payments and Redeposits	20,964	21,376	15,499
Investment Income Credited to Member Accounts	<u>45,182</u>	<u>45,119</u>	<u>74,740</u>
Sub Total	<u>983,973</u>	<u>839,098</u>	<u>928,031</u>
Annuity Reserve Fund:			
Investment Income Credited Annuity Reserve Fund	<u>112,834</u>	<u>106,771</u>	<u>97,309</u>
Pension Fund:			
3 (8) (c) Reimbursements from Other Systems	42,165	33,285	23,745
Received from Commonwealth for COLA and Survivor Benefits	153,223	167,750	175,422
Pension Fund Appropriation	<u>2,229,332</u>	<u>2,109,016</u>	<u>2,023,038</u>
Sub Total	<u>2,424,720</u>	<u>2,310,050</u>	<u>2,222,205</u>
Military Service Fund:			
Contribution Received from Municipality on Account of Military Service	1,414	4,489	0
Investment Income Credited Military Service Fund	<u>29</u>	<u>17</u>	<u>27</u>
Sub Total	<u>1,443</u>	<u>4,506</u>	<u>27</u>
Expense Fund:			
Expense Fund Appropriation	0	0	0
Investment Income Credited to Expense Fund	<u>263,123</u>	<u>220,907</u>	<u>188,191</u>
Sub Total	<u>263,123</u>	<u>220,907</u>	<u>188,191</u>
Pension Reserve Fund:			
Federal Grant Reimbursement	38,184	58,402	13,775
Misc. Income	5,184	22	0
Interest Not Refunded	24,988	1,839	2,896
Excess Investment Income	<u>3,531,144</u>	<u>3,642,188</u>	<u>5,704,592</u>
Sub Total	<u>3,599,499</u>	<u>3,702,452</u>	<u>5,721,263</u>
TOTAL RECEIPTS	<u>\$7,385,592</u>	<u>\$7,183,783</u>	<u>\$9,157,027</u>

Gardner Retirement System

STATEMENT OF DISBURSEMENTS

**FOR THE THREE-YEAR PERIOD BEGINNING JANUARY 1, 2003
AND ENDING DECEMBER 31, 2005**

FOR THE PERIOD ENDING DECEMBER 31,			
	2005	2004	2003
Annuity Savings Fund:			
Refunds to Members	\$170,928	\$234,158	\$121,482
Transfers to other Systems	<u>92,881</u>	<u>130,219</u>	<u>82,142</u>
Sub Total	<u>263,809</u>	<u>364,376</u>	<u>203,624</u>
Annuity Reserve Fund:			
Annuities Paid	425,627	391,116	356,697
Option B Refunds	<u>14,634</u>	<u>11,415</u>	<u>40,184</u>
Sub Total	<u>440,261</u>	<u>402,531</u>	<u>396,881</u>
Pension Fund:			
Pensions Paid			
Regular Pension Payments	2,353,448	2,245,802	1,994,334
Survivorship Payments	104,214	111,819	110,288
Ordinary Disability Payments	53,512	30,382	37,404
Accidental Disability Payments	635,458	587,626	606,742
Accidental Death Payments	169,210	165,957	163,437
Section 101 Benefits	12,117	18,365	27,808
3 (8) (c) Reimbursements to Other Systems	157,795	162,615	158,280
State Reimbursable COLA's Paid	0	0	0
Chapter 389 Beneficiary Increase Paid	<u>0</u>	<u>0</u>	<u>0</u>
Sub Total	<u>3,485,755</u>	<u>3,322,566</u>	<u>3,098,292</u>
Military Service Fund:			
Return to Municipality for Members Who Withdrew Their Funds	<u>0</u>	<u>0</u>	<u>0</u>
Expense Fund:			
Board Member Stipend	15,300	15,300	15,300
Salaries	32,546	38,002	35,972
Legal Expenses	10,331	15,747	3,480
Medical Expenses	0	0	0
Fiduciary Insurance	2,040	2,869	3,480
Service Contracts	0	477	477
Travel Expenses	362	1,294	1,321
Administrative Expenses	25,074	24,361	18,411
Furniture and Equipment	0	32	90
Management Fees	177,469	122,824	109,660
Sub Total	<u>263,123</u>	<u>220,907</u>	<u>188,191</u>
TOTAL DISBURSEMENTS	<u>\$4,452,948</u>	<u>\$4,310,380</u>	<u>\$3,886,988</u>

Gardner Retirement System

INVESTMENT INCOME

**FOR THE THREE-YEAR PERIOD BEGINNING JANUARY 1, 2003
AND ENDING DECEMBER 31, 2005**

	FOR THE PERIOD ENDING DECEMBER 31,		
	2005	2004	2003
Investment Income Received From:			
Cash	\$412	\$252	\$214
Short Term Investments	0	0	0
Fixed Income	0	0	0
Equities	0	0	0
Pooled Funds	<u>1,070,196</u>	<u>999,739</u>	<u>844,969</u>
TOTAL INVESTMENT INCOME	<u>1,070,608</u>	<u>999,990</u>	<u>845,183</u>
Plus:			
Realized Gains	1,974,812	1,965,961	758,531
Unrealized Gains	3,336,011	2,707,352	5,098,654
Interest Due and Accrued on Fixed Income Securities - Current Year	<u>0</u>	<u>0</u>	<u>0</u>
Sub Total	<u>5,310,823</u>	<u>4,673,312</u>	<u>5,857,185</u>
Less:			
Paid Accrued Interest on Fixed Income Securities	0	0	0
Realized Loss	0	0	(71,328)
Unrealized Loss	(2,429,120)	(1,658,301)	(566,179)
Interest Due and Accrued on Fixed Income Securities - Prior Year	<u>0</u>	<u>0</u>	<u>0</u>
Sub Total	<u>(2,429,120)</u>	<u>(1,658,301)</u>	<u>(637,508)</u>
NET INVESTMENT INCOME	<u>3,952,312</u>	<u>4,015,002</u>	<u>6,064,860</u>
Income Required:			
Annuity Savings Fund	45,182	45,119	74,740
Annuity Reserve Fund	112,834	106,771	97,309
Military Service Fund	29	17	27
Expense Fund	<u>263,123</u>	<u>220,907</u>	<u>188,191</u>
TOTAL INCOME REQUIRED	<u>421,168</u>	<u>372,814</u>	<u>360,268</u>
Net Investment Income	<u>3,952,312</u>	<u>4,015,002</u>	<u>6,064,860</u>
Less: Total Income Required	<u>421,168</u>	<u>372,814</u>	<u>360,268</u>
EXCESS INCOME TO THE PENSION RESERVE FUND	<u>\$3,531,144</u>	<u>\$3,642,188</u>	<u>\$5,704,592</u>

Gardner Retirement System

STATEMENT OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

FOR THE PERIOD ENDING DECEMBER 31, 2005

	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	\$5,154	0.02%
Short Term	0	0.00%
Fixed Income	0	0.00%
Equities	0	0.00%
Pooled Short Term Funds	0	0.00%
Pooled Domestic Equity Funds	0	0.00%
Pooled International Equity Funds	0	0.00%
Pooled Global Equity Funds	0	0.00%
Pooled Domestic Fixed Income Funds	0	0.00%
Pooled International Fixed Income Funds	0	0.00%
Pooled Global Fixed Income Funds	0	0.00%
Pooled Alternative Investment Funds	0	0.00%
Pooled Real Estate Funds	0	0.00%
Pooled Domestic Balanced Funds	0	0.00%
Pooled International Balanced Funds	0	0.00%
PRIT Cash Fund	48,815	0.15%
PRIT Core Fund	<u>33,512,086</u>	<u>99.84%</u>
GRAND TOTALS	<u>\$33,566,055</u>	<u>100.00%</u>

For the year ending December 31, 2005, the rate of return for the investments of the Gardner Retirement System was 12.95%. For the five-year period ending December 31, 2005, the rate of return for the investments of the Gardner Retirement System averaged 7.09%. For the 21-year period ending December 31, 2005, since PERAC began evaluating the returns of the retirement systems, the rate of return of the investments of the Gardner Retirement System was 11.04%.

Gardner Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS

FOR THE THREE YEAR PERIOD ENDING DECEMBER 31, 2005

The Gardner Retirement System does not have any supplemental investment regulations.

Gardner Retirement System

NOTES TO FINANCIAL STATEMENTS

FOR THE THREE-YEAR PERIOD ENDING DECEMBER 31, 2005

NOTE 1 - THE SYSTEM

The plan is a contributory defined benefit plan covering all Gardner Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

Instituted in 1937, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The system provides for retirement allowance benefits up to a maximum of 80% of a member's highest three year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 75 - 85% pension and 15 - 25% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Any cost-of-living adjustment granted between 1981 and 1997 and any increase in other benefits imposed by state law during that period are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount

Gardner Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE THREE-YEAR PERIOD ENDING DECEMBER 31, 2005

of current year pension payments as indicated on the most recent funding schedule as approved by PERAC's Actuary. Until recently, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities, and in some systems have actually eliminated such liability.

Administrative expenses are funded through investment income of the system.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission.

The Annuity Savings Fund is the fund in which members' contributions are deposited. Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest

Gardner Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE THREE-YEAR PERIOD ENDING DECEMBER 31, 2005

for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Gardner Retirement System submitted the following supplementary membership regulations, which were approved by PERAC on:

Gardner Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE THREE-YEAR PERIOD ENDING DECEMBER 31, 2005

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

January 10, 1996

Buy-Backs: Any member who has been incorrectly assessed, had deductions omitted in error or excluded from membership in the retirement system due to no fault of his own, may remit payments to the board in order to correct the error and shall be credited with all creditable service, if any, associated with such a payment. Such payment shall be interest free for a period not to exceed six months from date of first notification.

December 31, 1998

Creditable Service: Any member who desires to establish credit for part-time service before becoming a member must petition the board for such credit. Employees must have payroll evidence to support and verify that such member had prior public employment. For the purposes of computing partial or pro rata membership service, full time credit shall be considered by the board to be two hundred sixty (260) work days and seven and one half (7 ½) hours per day, or nineteen hundred and fifty (1950) hours per annum.

Creditable service for part time employees who do not work a full year shall be prorated as it bears against full time service for that particular position.

April 11, 2002

Election: The Gardner Retirement Board shall conduct a simultaneous election for the two elected members of the Board. Both terms of the elected members shall be for three years and expire on the same date. In conducting the election, the Board shall place all candidates who have been nominated in conformance with 840 CMR 7.04 on one ballot. All eligible candidates shall be listed on the ballot in an order determined by a random drawing of the names of the candidates. The incumbent(s) (if any) will have the right to be identified as such on the ballot. In the event that only two candidates have been nominated, the Board shall declare said candidates to be the elected members of the Board, no elections shall be held, and said candidates shall take office and serve in all respects as though he or she had been elected by election. If there are more than two candidates, an election shall be conducted and each member of or retired from the Gardner Retirement Board shall be allowed to vote for not more than two candidates. Upon tabulation of the ballots, the two candidates who receive the most votes shall be declared the elected members of the Board. In the event of a vacancy, a new election shall be conducted to fill a vacancy as soon as practicable and the member elected shall serve for the unexpired portion of the vacant term.

Gardner Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE THREE-YEAR PERIOD ENDING DECEMBER 31, 2005

NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five person Board of Retirement consisting of the City Auditor who shall be a member ex officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex officio Member: Calvin D. Brooks

Appointed Member: Kevin McInerney Term Expires: Indefinite

Elected Member: Denise Merriam Term Expires: 06/30/08

Elected Member: John Wall Term Expires: 06/30/08

Appointed Member: Charles Langlois Term Expires: 01/01/09

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board and are then submitted to the PERAC Actuary for verification prior to payment. All expenses incurred by the System must be approved by at least two members of the Board.

The following retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts as follows:

Treasurer - Custodian:)	
Ex officio Member:)	\$50,000,000 Fiduciary Insurance
Elected Member:)	\$1,000,000 Fidelity Bond
Appointed Member:)	MACRS Policy
Staff Employee:)	

Gardner Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE THREE-YEAR PERIOD ENDING DECEMBER 31, 2005

NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Stone Consulting as of January 1, 2005.

The actuarial liability for active members was	\$21,257,171
The actuarial liability for retired and inactive members was	<u>33,743,636</u>
The total actuarial liability was	55,000,807
System assets as of that date were	<u>32,866,335</u>
The unfunded actuarial liability was	<u>\$22,134,472</u>
 The ratio of system's assets to total actuarial liability was	 59.8%
As of that date the total covered employee payroll was	\$8,905,649

The normal cost for employees on that date was 8.10% of payroll

The normal cost for the employer was 3.40% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return:	8.00% per annum
Rate of Salary Increase:	4.25% per annum

GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2005

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2005	\$32,866,000	\$55,001,000	\$22,135,000	59.8%	\$8,906,000	248.5%
1/1/2004	\$29,993,000	\$53,608,000	\$23,615,000	55.9%	\$9,749,000	242.2%
1/1/2003	\$24,723,000	\$50,453,000	\$25,730,000	49.0%	\$10,280,000	250.3%

Gardner Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE THREE-YEAR PERIOD ENDING DECEMBER 31, 2005

NOTE 6 - MEMBERSHIP EXHIBIT

Retirement in Past Years	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Superannuation	5	10	7	9	7	10	7	10	10	6
Ordinary Disability	0	1	1	0	0	0	0	0	0	2
Accidental Disability	2	2	4	3	2	2	0	1	0	1
Total Retirements	7	13	12	12	9	12	7	11	10	9
Total Retirees, Beneficiaries and Survivors	217	222	225	224	228	233	231	227	235	244
Total Active Members	273	267	347	394	368	363	357	328	296	286
Pension Payments										
Superannuation	\$1,125,625	\$1,295,536	\$1,279,949	\$1,418,634	\$1,534,276	\$1,703,872	\$1,857,693	\$1,994,334	\$2,245,802	\$2,353,448
Survivor/Beneficiary Payments	98,988	101,344	100,722	106,884	107,755	121,938	181,353	110,288	111,819	104,214
Ordinary Disability	62,040	60,630	52,655	61,880	62,020	63,437	59,625	37,404	30,382	53,512
Accidental Disability	392,792	386,552	378,801	445,790	460,602	535,379	555,869	606,742	587,626	635,458
Other	<u>261,672</u>	<u>113,406</u>	<u>111,138</u>	<u>147,265</u>	<u>287,579</u>	<u>297,816</u>	<u>328,777</u>	<u>349,525</u>	<u>346,937</u>	<u>339,123</u>
Total Payments for Year	<u>\$1,941,117</u>	<u>\$1,957,468</u>	<u>\$1,923,265</u>	<u>\$2,180,453</u>	<u>\$2,452,232</u>	<u>\$2,722,442</u>	<u>\$2,983,318</u>	<u>\$3,098,292</u>	<u>\$3,322,566</u>	<u>\$3,485,755</u>

PERAC

Five Middlesex Avenue | Third Floor
Somerville, MA | 02145

Ph: 617.666.4446 | Fax: 617.628.4002

TTY: 617.591.8917 | Web: www.mass.gov/perac